

**IN THE DISTRICT COURT OF THE UNITED STATES
for the Western District of New York**

NOVEMBER 2006 GRAND JURY
(Impaneled 11/03/06)

THE UNITED STATES OF AMERICA

-vs-

INDICTMENT

PATRICIA O'CONNOR
(Counts 1-6); and
RICHARD R. DRACHENBERG
(Count 6)

Violations:
Title 26, United States Code,
Section 7201; and
Title 18, United States Code,
Section 371.

COUNT 1

The Grand Jury Charges:

That during the calendar year 2000, the defendant, **PATRICIA O'CONNOR**, a resident of Angelica, New York, had and received taxable income in the sum of approximately \$50,180.50; that upon said taxable income there was owing to the United States of America an income tax of approximately \$19,813.00; that well-knowing and believing the foregoing facts, the defendant, **PATRICIA O'CONNOR**, on or about April 16, 2001, in the Western District of New York, did willfully attempt to evade and defeat the said income tax due and owing by her to the United States of America for said calendar year, by failing to make an income tax return on or before April

16, 2001, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America her true and correct income.

All in violation of Title 26, United States Code, Section 7201.

COUNT 2

The Grand Jury Further Charges:

That during the calendar year 2001, the defendant, **PATRICIA O'CONNOR**, a resident of Angelica, New York, had and received taxable income in the sum of approximately \$51,440.00; that upon said taxable income there was owing to the United States of America an income tax of approximately \$19,856.00; that well-knowing and believing the foregoing facts, the defendant, **PATRICIA O'CONNOR**, on or about April 15, 2002, in the Western District of New York, did willfully attempt to evade and defeat the said income tax due and owing by her to the United States of America for said calendar year, by failing to make an income tax return on or before April 15, 2002, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service

said income tax, and by concealing and attempting to conceal from all proper officers of the United States of America her true and correct income;

All in violation of Title 26, United States Code, Section 7201.

COUNT 3

The Grand Jury Further Charges:

That during the calendar year 2002, the defendant, **PATRICIA O'CONNOR**, a resident of Angelica, New York, had and received taxable income in the sum of approximately \$43,793.25; that upon said taxable income there was owing to the United States of America an income tax of approximately \$16,428.00; that well-knowing and believing the foregoing facts, the defendant, **PATRICIA O'CONNOR**, on or about April 15, 2003, in the Western District of New York, did willfully attempt to evade and defeat the said income tax due and owing by her to the United States of America for said calendar year, by failing to make an income tax return on or before April 15, 2003, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from

all proper officers of the United States of America her true and correct income;

All in violation of Title 26, United States Code, Section 7201.

COUNT 4

The Grand Jury Further Charges:

That during the calendar year 2003, the defendant, **PATRICIA O'CONNOR**, a resident of Angelica, New York, had and received taxable income in the sum of approximately \$61,986.50; that upon said taxable income there was owing to the United States of America an income tax of approximately \$23,053.00; that well-knowing and believing the foregoing facts, the defendant, **PATRICIA O'CONNOR**, on or about April 15, 2004, in the Western District of New York, did willfully attempt to evade and defeat the said income tax due and owing by her to the United States of America for said calendar year, by failing to make an income tax return on or before April 15, 2004, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from

all proper officers of the United States of America her true and correct income;

All in violation of Title 26, United States Code, Section 7201.

COUNT 5

The Grand Jury Further Charges:

That during the calendar year 2004, the defendant, **PATRICIA O'CONNOR**, a resident of Angelica, New York, had and received taxable income in the sum of approximately \$60,786.00; that upon said taxable income there was owing to the United States of America an income tax of approximately \$22,446.00; that well-knowing and believing the foregoing facts, the defendant, **PATRICIA O'CONNOR**, on or about April 15, 2005, in the Western District of New York, did willfully attempt to evade and defeat the said income tax due and owing by her to the United States of America for said calendar year, by failing to make an income tax return on or before April 15, 2005, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from

all proper officers of the United States of America her true and correct income;

All in violation of Title 26, United States Code, Section 7201.

COUNT 6

The Grand Jury Further Charges:

THE CONSPIRACY

1. From on or about January 1, 2000, the exact date being unknown to the Grand Jury, and continuing thereafter up to April 15, 2005, in the Western District of New York, and elsewhere, **PATRICIA O'CONNOR** and **RICHARD R. DRACHENBERG**, defendants herein, did unlawfully, voluntarily, intentionally, willfully and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to the Grand Jury to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, income taxes.

PARTIES, PERSONS AND ENTITIES

At all relevant times,

2. **PATRICIA O'CONNOR** and **RICHARD R. DRACHENBERG** were husband and wife, living in Angelica, New York.

3. **PATRICIA O'CONNOR** provided computer consultant services as a subcontractor to different entities, including Personnel Resources, Inc. and the Colorado Commission on Higher Education.

4. Golden Eagle, d/b/a The Angelica Group, was a nominal business created by the defendants for the purpose of collecting income from **PATRICIA O'CONNOR**'s services.

MANNER AND MEANS

5. The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

6. It was a part of the aforesaid scheme and artifice to defraud that the defendants created The Angelica Group, which existed in name only and for the sole purpose of disguising the income of defendant Patricia O'Connor in order to prevent the

Internal Revenue Service from determining where and how the defendants were disposing of Patricia O'Connor's income.

7. It was a further part of the aforesaid scheme and artifice to defraud that **PATRICIA O'CONNOR** directed that Personnel Resources, Inc. and the Colorado Commission on Higher Education make payment for her services to The Angelica Group and provided a Post Office Box for The Angelica Group in Angelica, New York.

8. It was a further part of the aforesaid scheme and artifice to defraud that **RICHARD R. DRACHENBERG** opened a Post Office Box for The Angelica Group at the Post Office in Angelica, New York.

9. It was a further part of the aforesaid scheme and artifice to defraud that **RICHARD R. DRACHENBERG** opened a bank account at Key Bank in the name of The Angelica Group, listing himself as the Manager of said entity and providing himself as the sole signatory on the account.

10. It was a further part of the aforesaid scheme and artifice to defraud that the checks provided by Personnel Resources, Inc. and the Colorado Commission on Higher Education as

payment for **PATRICIA O'CONNOR**'s services were deposited to the Key Bank account described in paragraph 9 above.

11. It was a further part of the aforesaid scheme and artifice to defraud that all withdrawals of funds from the The Key Bank account were made by either checks payable to cash signed by **RICHARD R. DRACHENBERG** or cash withdrawals from ATM machines. The only debit card issued by Key Bank on this account was to **RICHARD R. DRACHENBERG**.

OVERT ACTS

In furtherance of the conspiracy, and to effect the purposes and objects thereof, the following overt acts, among others, were committed in the Western District of New York, and elsewhere:

12. **PATRICIA O'CONNOR** submitted a W-9 form to Personnel Resources, Inc. falsely claiming an exempt status from withholding.

13. **PATRICIA O'CONNOR** submitted invoices for work performed listing the employee name as The Angelica Group and requested payments be made to The Angelica Group knowing that The Angelica Group was a sham and that she did not perform services for The Angelica Group.

14. **PATRICIA O'CONNOR** directed that payments be made to The Angelica Group at P.O. Box 334, Angelica, New York, rather than her home address in an effort to disguise and hide her receipt of income from the Internal Revenue Service.

15. On April 27, 2000, **RICHARD R. DRACHENBERG** opened an account at Key Bank in the name Golden Eagle, d/b/a The Angelica Group.

16. **RICHARD R. DRACHENBERG** opened the P.O. Box referenced in paragraph 14, above at the Post Office located in Angelica, New York.

17. **PATRICIA O'CONNOR** and **RICHARD R. DRACHENBERG** received income from services performed by **PATRICIA O'CONNOR** between Jan 1, 2000 and December 31, 2004 in the total amount of \$327,149.25.

18. Neither **PATRICIA O'CONNOR** nor **RICHARD R. DRACHENBERG**, individually or jointly, nor Golden Eagle, d/b/a The Angelica Group, ever filed an income tax return with the United States for tax years 2000 through 2004.

All in violation of Title 18, United States Code, Section 371.

DATED: Buffalo, New York, April 12, 2007.

TERRANCE P. FLYNN
United States Attorney

BY: **S/ROBERT C. MOSCATI**
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A TRUE BILL:

S/DEPUTY FOREPERSON
FOREPERSON